

## CHAPTER 4: RESEARCH ANALYSIS

### FINDINGS

#### 4.1 BACKGROUND INFORMATION

A total of 90 questionnaires were circulated to the banks. The banks that were circulated were divided into two categories i.e. foreign ownership banks and local ownership banks. The questionnaires were targeted for personnel from the Strategy Planning Department, Public Relations Department and the Information Technology Department (IT).

The questionnaires seek to also analyse the degree of involvement of the staff in the implementation and operation of the Customer Relationship Management (CRM) programme.

Of the 90 questionnaires distributed only 47 replied. The replies that came back were from a foreign bank (19 replies) and 2 local banks (28 replies). The profile of the respondents can be categorised as follows:

##### 4.1.1 Frequency Distribution by the Ownership of the Banks

	Frequency	Percent	Valid Percent	Cumulative Percent
Foreign Based	19	40.4	40.4	40.4
Local Based	28	59.6	59.6	100.0
Total	47	100.0	100.0	

##### 4.1.2 Frequency Distribution by the Degree of Involvement

	Frequency	Percent	Valid Percent	Cumulative Percent
Planner	26	55.3	55.3	55.3
Supporter	13	27.7	27.7	83.0
User	8	17.0	17.0	100.0
Total	47	100.0	100.0	

**4.1.3 Frequency Distribution by the Departments**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strategy Planning Department	12	25.5	25.5	25.5
Public Relations Department	18	38.3	38.3	63.8
Information Technology Department	17	36.2	36.2	100.0
Total	47	100.0	100.0	

The ownership-based analysis depicts that 40.4% of the respondents are from the foreign banks while the remaining 59.6% are from the local banks. This is due to the poor response from the foreign banks, that is, one bank with nineteen staff. On the other hand, two local banks with twenty-eight respondents responded to the questionnaires.

From the degree of involvement analysis above, we could see that most of the respondents are involved mainly in the planning process of the program. This was evidenced by the degree of involvement analysis above. The table depicts that approximately 55% of the respondents are involved in the planning of the program, 28% were merely the supporters and the remaining 8% are the users.

For the departments that the questionnaires were circulated 38.3% of the respondents were from the Public Relations department while 36.2% were from the IT department and 25.5 % were from the Strategy Planning department.

4.2 QUESTION 2: THE DEFINITION OF CRM

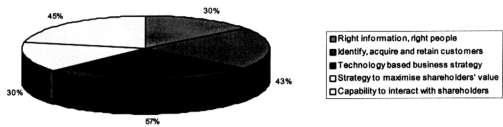
TABLE 4.2.1: FREQUENCY DISTRIBUTION ON THE DEFINITION OF CRM

	Right information to the right people	Identify, acquire and retain customers	Technology based business strategy	Strategy to maximise shareholders' value	Capability to interact with shareholders
N	47	47	47	47	47
Missing	0	0	0	0	0
Mean	.30	.43	.57	.30	.45
Mode	0	0	1	0	0
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1

This mean analysis indicates the average number of respondents that have selected the respective definition to define the concept of CRM. From the analysis above 57% of the total of 47 responses have selected the definition of CRM as a technology based business strategy whereby companies leverage increased customers' knowledge to build profitable relationships, based on optimising value delivered and realised from their customers as the most appropriate definition for CRM. This is followed by 45% choosing "CRM is the capability to interact with customer such that every interaction is positive and reinforces the relationship" and finally, 43% responses selected the definition of "CRM is a way to identify, acquire and retain customers'. The least preferred definition for CRM is 'to develop systems that get the right information to the right people in the most efficient manner' and 'a business strategy focused on maximising shareholders value through winning, growing and keeping the right customers'. The mean for both of responses were 30%.

For the above data, we could summarise the definition for CRM as depicted in figure 4.1 below.

**FIGURE 4.1: DEFINITIONS FOR CRM.**



In addition to the above analysis, the responses could be analysed further i.e. by ownership of the banks.

**TABLE 4.2.2: FREQUENCY DISTRIBUTION ON THE DEFINITION OF CRM ANALYSED BY THE FOREIGN BANKS**

	Right information to the right people	Identify, acquire and retain customers	Technology based business strategy	Strategy to maximise shareholders' value	Capability to interact with shareholders
N	19	19	19	19	19
Missing	0	0	0	0	0
Mean	.26	.37	.68	.37	.37
Std. Error of Mean	.10	.11	.11	.11	.11
Mode	0	0	1	0	0
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1



The table above shows an analysis on the definition of CRM by foreign banks. 68% of the total nineteen foreign respondents selected 'CRM is a technology based business strategy whereby companies leverage increased customers' knowledge to build profitable relationships, based on optimising value delivered and realised from their customers' as the most appropriate definition to describe CRM. This is followed by 37% of the respondents choosing CRM is 'a way to identify, acquire and retain customers', 'a business strategy focused on maximising shareholders value through winning, growing and keeping the right customers' and 'the management of the capability to interact with customer such that every interaction is positive and reinforces the relationship'.

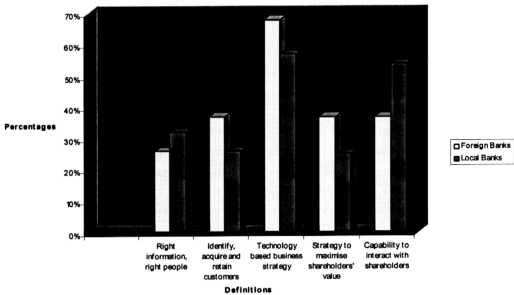
**TABLE 4.2.3: FREQUENCY DISTRIBUTION ON THE DEFINITION OF CRM ANALYSED BY THE LOCAL BANKS**

	Right information to the right people	Identify, acquire and retain customers	Technology based business strategy	Strategy to maximise shareholders' value	Capability to interact with shareholders
Valid	28	28	28	28	28
Missing	0	0	0	0	0
Mean	.32	.46	.57	.25	.54
Std. Error of Mean	8.99E-02	9.60E-02	9.52E-02	8.33E-02	9.60E-02
Mode	0	0	1	0	1
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1

Table 4.2.3 shows an analysis on the definition of CRM by local banks. For local banks, the bankers are of the opinion that CRM could best be defined as a technology based business strategy whereby companies leverage increased customers' knowledge to build profitable relationships, based on optimising value delivered and realised from their customers. The average response from the local bank was 57%.

In addition to that the management of the capability to interact with customer such that every interaction is positive and reinforces the relationship was selected as the next best definition to define the concept of CRM.

**FIGURE 4.2: DEFINITIONS FOR CRM (ANALYSED BY THE OWNERSHIP OF THE BANKS).**



**THE MODE ANALYSIS**

The Mode analysis displays the variable, which have the highest frequency of occurrence. From the analysis above, it is evident that both local and foreign banks have chosen the definition of 'CRM is a technology based business strategy whereby companies leverage increased customers' knowledge to build profitable relationships, based on optimising value delivered and realised from their customers' as the most appropriate definition to define the concept of CRM within the context of their organisation

**CONCLUSION**

From the analysis above, it could be deduced that the CRM concept is best defined as a technology based business strategy whereby companies leverage increased customers' knowledge to build profitable relationships, based on optimising value delivered and realised from their customers.

**4.3 QUESTION 3: EFFECTIVE CRM INITIATIVES TOWARDS THE BANKS' PROFITABILITY.**

**TABLE 4.3.1: RANKING ANALYSIS ON THE CRM INITIATIVES TOWARDS THE BANKS' PROFITABILITY**

	Customer Loyalty	Product and Service Profitability	Gaining new customers	Existing customers buying new products	Enhancing productivity via instant access	Elimination of loss from unprofitable customers
Valid	47	47	47	47	47	47
Missing	0	0	0	0	0	0
Mean	2.36	3.43	3.36	3.30	3.21	5.21
Std. Error of Mean	.23	.20	.20	.22	.26	.17
Mode	1	3	4	5	1	6
Minimum	1	1	1	1	1	2
Maximum	6	6	6	6	6	6

The table above shows the analysis on CRM variables contributing a bank's profitability. From the table, we could conclude that successful retention of customer loyalty could bring about profitability via the individual customer's portfolio. Thus in the long run, it will results in increasing the bank's profitability. The mean stood at 2.36 and this signifies that the variable is important to the bank's profitability.

The second variable that could contribute to the bank's profitability is the enhancement of the productivity level of the staff. With the enhancement of technology, staff will have an instant access to the customers' needs and demands. This means that the time taken to attend to a customer's enquiries could be reduced significantly.

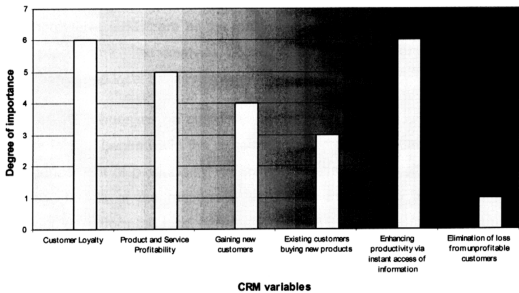
The mean stood at 3.21 and it signifies that the variable do have certain degree of importance in contributing to the bank's profitability.

The third variable is to get the existing customers buying new or existing products. This is known as cross selling and up selling. This in the long run will indirectly increase the bank's profitability. The implications from the analysis are that banks should regularly update their customers on the bank's new products and to create awareness among new customers on the facilities available within the bank. The mean of this response is 3.30 and this signifies that the variable do have certain degree of importance in contributing to the bank's profitability.

The fourth significant contribution of a successful CRM to the bank's profitability is the attraction of new customers from the competitors and market. This will directly place the company in a favourable competitive advantage through well-built market share and bargaining power. The mean of the response stood at 3.36 and this signifies that the variable do have certain degree of importance in contributing to the profitability of the bank.

As for the variable of individual product or service profitability that leads to the increase in revenue, the respondents could perceive a direct relationship between the successful implementation of the CRM programme and the profitability of the company. Therefore, the mean stood at 3.43 and this signifies that the variable do have certain degree of importance in contributing to the profitability of the bank. Lastly, the elimination of loss from unprofitable customers was thought to be the least essential contribution of the CRM programme in contributing to the bank's profitability. The mean of this variable is 5.21 and this signifies that this variable does not have certain degree of importance towards the bank's profitability.

**FIGURE 4.3: RANKING ANALYSIS FOR THE CRM INITIATIVES  
TOWARDS THE BANKS' PROFITABILITY**



\* from the analysis of the mode of the variables.

**TABLE 4.3.2: RANKING ANALYSIS ON THE DEGREE OF IMPORTANCE  
OF THE CRM INITIATIVES**

	Degree of importance	Frequency	Percent (%)
Customer loyalty	6	19	40.4
Enhancing productivity via instant access of information	6	12	25.5
Product and service profitability	5	14	29.8
Gaining new customers	4	20	42.6
Existing customers buying new products	3	11	23.4
Elimination of loss from unprofitable customers	1	28	59.6

Table 4.3.2 above indicates that 40.4% of the respondents have ranked customer loyalty as the most important factor (denoted by "6") contributing to the bank's profitability, followed by 42.6% of the respondents ranking gaining new customers as the next most important variable in the CRM programme. On the other hand, 59.6% of the respondents have ranked elimination of loss from unprofitable customers as the least significant variable (denoted by "1") in the programme. The analysis above, it could be further analysed into foreign banks and local banks response.

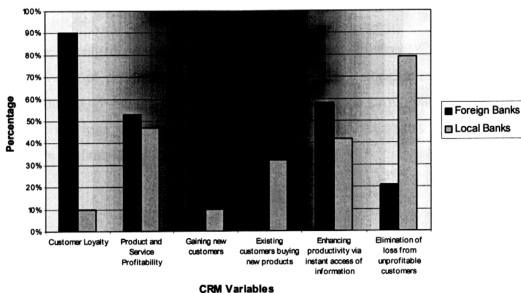
Of the 40.4% responses on customer loyalty, 89.5% of the responses were from the foreign banks while the remaining were from the local banks. As for the enhancement of productivity via instant access of information responses of 25.5%, 63.2% of the responses were from the foreign banks and the remainder were from the local banks. 52.6% of the response for product and service profitability was from the foreign banks and 47.4% of it was from the local banks. For the gaining of new customers, the foreign banks contributed 89.5% while the local banks contributed 10.5%.

Lastly, responses from foreign banks for the existing customers buying new products and the elimination of loss from unprofitable customers are 73.7% and 21.1% respectively.

**TABLE 4.3.3: DEGREE OF IMPORTANCE OF THE CRM INITIATIVES  
ANALYSED BY THE OWNERSHIP OF THE BANKS**

	Foreign Banks	Local Banks
Customer Loyalty	89.5%	10.5%
Product and Service Profitability	52.6%	47.4%
Gaining new customers	89.5%	10.5%
Existing customers buying new products	73.7%	26.3%
Enhancing productivity via instant access of information	63.2%	36.8%
Elimination of loss from unprofitable customers	21.1%	78.9%

**FIGURE 4.4: RANKING ANALYSIS FOR CRM INITIATIVES TOWARDS  
THE BANKS' PROFITABILITY (ANALYSED BY THE  
OWNERSHIP OF THE BANKS)**



## **THE MODE ANALYSIS**

The Mode analysis displays the variable, which have the highest frequency of occurrence. From the above analysis, we could perceive that for customer loyalty and enhancing productivity through instant access of information were often ranked as the most significant factor in CRM in contributing to the bank's profitability. On the other hand, elimination of loss from unprofitable customers was often ranked as the least significant factor in CRM that could contribute to the bank's profitability

## **THE MINIMUM AND MAXIMUM ANALYSIS**

The minimum and maximum analysis indicates the minimum and maximum value selected for each variable. For instance, the overall response analysis indicates that the minimum value '1' represents the most significant variable while '6' represents the least significant variable.

## **CONCLUSION**

From the analysis above, it was deduced that customer loyalty and enhancement of productivity of staff through instant access to customers' information could results in the increase in the bank's profitability while the elimination of loss from unprofitable customers could not assist in improving the bank's profitability.



#### 4.4 QUESTION 4: THE FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAMME.

**TABLE 4.4.1: RANKING ANALYSIS ON THE FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAM.**

	Call Centres	Mobile Phone Technology	Interactive TV	Direct Contact	Location of Branch	Internet
Valid	47	47	47	47	47	47
Missing	0	0	0	0	0	0
Mean	4.28	5.04	7.38	4.36	3.70	6.02
Std. Error of Mean	.37	.34	.36	.41	.48	.42
Mode	3	4	7	1	1	3
Minimum	1	1	3	1	1	1
Maximum	11	10	11	11	11	11

	Direct Mails	Remote Dial - Ins	Sales Support	Data Mining Facilities	High Capacity Database
Valid	47	47	47	47	47
Missing	0	0	0	0	0
Mean	6.72	9.40	5.34	6.72	6.74
Std. Error of Mean	.39	.32	.46	.44	.43
Mode	8	11	2	10	10
Minimum	2	2	1	1	1
Maximum	11	11	10	11	11

The table above shows the analysis on CRM variables' contribution to the bank's profitability. From the analysis, we could conclude that the location of the branches of the bank is the most essential facilities to facilitate the effectiveness of the CRM programme. The mean stood at 3.70.

This is because the respondents are of the opinion that most customers will prefer to deal with the banks that are convenient to them.

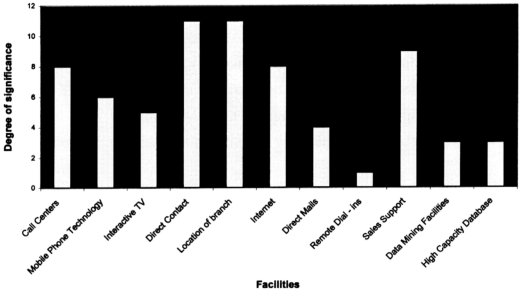
Call centres was the next essential variable that could contribute to the bank's profitability. Customers with queries will often call these centres to clarify their queries or to obtain confirmations. Therefore, these centres act as a link to reduce the gap between the customers' understanding on the bank's facilities and the facilities actually offered by the bank.

The third facility selected was direct contact. This means that customers could speak to the relevant personnel without the need to go through many intermediaries such as operators and long waiting hours. The mean of this response was 4.36.

This is followed by mobile phone technology whereby the bank will call the customers for confirmation on large transaction dealt in via credit cards. The fifth facility chosen is the after sales support such as following up with the customers after engaging the new services rendered by the bank. Subsequent to that, Internet web sites facility was thought to be useful as customers could access to the bank's facilities remotely.

Direct mails and data mining facilities was ranked seventh as mail takes a longer time to reach the customers while data mining facilities would require large investments by the bank. High capacity database, which facilitates the storage of customers' information were thought to be less essential as this facility requires large investment by the bank. Interactive TV was ranked low due to the technology advancement level of the Malaysian banks and the cost involved. Finally, remote dial-in servers were ranked the lowest due to the risk of hacking involved.

**FIGURE 4.5: RANKING ANALYSIS FOR THE FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAMME**



- ranked by mode of the variables

**TABLE 4.4.2: DEGREE OF IMPORTANCE OF THE FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAMME**

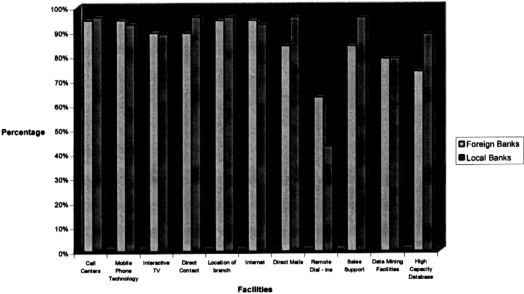
	Ranking	Frequency	%
Call Centres	8	12	25.5
Mobile Phone Technology	6	13	27.7
Interactive TV	5	10	21.3
Direct Contact	11	9	19.2
Location of branch	11	20	42.6
Internet	8	6	12.8
Direct Mails	4	8	17
Remote Dial – ins	1	23	48.9
Sales Support	9	8	17
Data Mining Facilities	3	8	17
High Capacity Database	3	9	19.1

\* ranked by mode of the variables

Being ranked number eleven (11) as the most essential facility, it was perceived that location of the branch and direct contact was considered the most important in developing an effective CRM programme. Call centres and Internet were ranked eight with a frequency of twelve (12) and six (6) respondents. This was followed by Mobile Phone Technology facilities, which was ranked the sixth (6) with a frequency of six (13) respondents selecting it. Interactive TV and Direct Mails were ranked fifth and fourth respectively. Data mining and high capacity database was ranked the third (3) due to the reasons above and finally remote dial-ins was ranked last due to the risk of hacking involved.

The above analysis however could be analysed further into ownership of the banks i.e. foreign and local banks.

**FIGURE 4.6: FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAMME (ANALYSED BY THE OWNERSHIP OF THE BANKS)**



**TABLE 4.4.3: FACILITIES AVAILABLE FOR AN EFFECTIVE CRM PROGRAMME ANALYSED BY THE OWNERSHIP OF THE BANKS**

	Foreign Banks	Local Banks
Call Centres	95%	96%
Mobile Phone Technology	95%	93%
Interactive TV	90%	89%
Direct Contact	90%	96%
Location of branch	95%	96%
Internet	95%	93%
Direct Mails	84%	96%
Remote Dial - ins	63%	43%
Sales Support	84%	96%
Data Mining Facilities	79%	79%
High Capacity Database	74%	89%

Table 4.4.3 above indicates the significance of the facilities available for the implementation of the CRM programme. From the table above, we could conclude that Call Centres, Mobile Phone Technology, Direct Contact and Location of the branches are the most appropriate facilities available for an effective CRM programme implementation.

Remote Dial-Ins in the opinion of the bankers should not be used as a facility to facilitate the implementation of the CRM programme due to the risk factor involved.

### **THE MODE ANALYSIS**

The Mode analysis displays the variable, which have the highest frequency of occurrence. From the above analysis, we could perceive that for direct contact with customers and location of the branch were often ranked as the most significant facilities available to support the implementation of an effective CRM programme. On the other hand, remote dial-ins was often ranked as the least significant facility to support the implementation of an effective CRM programme.

### **THE MINIMUM AND MAXIMUM ANALYSIS**

The minimum and maximum analysis indicates the minimum and maximum value selected for each variable. For instance, the overall response analysis indicates that the minimum value '1' represents the most significant variable while '11' represents the least significant variable.

### **CONCLUSION**

From the analysis above, it was deduced that direct contact with customers and location of the branch are the preferred facility to support the implementation of the CRM programme. This was mainly due to the relationship involved with the customers and the convenience perceived by the customers. On the other hand, remote dial-ins was the least preferred facility to support the implementation of the CRM programme due to the risk factor involved.

**4.5 QUESTION 5: THE BARRIERS IN IMPLEMENTING THE CRM PROGRAMME.**

**TABLE 4.5.1: FREQUENCY DISTRIBUTION ON THE BARRIERS IN IMPLEMENTING THE CRM PROGRAMME**

	Difficulty in measurement	Increase in integration and process cost	Culture	No benchmark	High cost of implementation
Valid	47	47	47	47	47
Missing	0	0	0	0	0
Mean	.60	.43	.28	.32	.47
Std. Error of Mean	7.24E-02	7.29E-02	6.60E-02	6.87E-02	7.36E-02
Mode	1	0	0	0	0
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1

	Speed of implementation	Lack of support	Lack of understanding	Security and privacy concern
Valid	47	47	47	47
Missing	0	0	0	0
Mean	.43	.15	.28	.26
Std. Error of Mean	7.29E-02	5.25E-02	6.60E-02	6.43E-02
Mode	0	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

The figure above analyses the barriers that deters the implementation of the CRM programme. The analysis above displays that of the forty-seven respondents, 60% respondents are of the opinion that difficulty in measuring the effectiveness of the CRM programme is the main barrier that deters the banking industry in Malaysia to implement this programme.

47% of the respondents are of the opinion that high cost of implementation is the second barrier that deters the bank from implementing the programme. This is mainly due to cost of the equipments needed i.e. high storage database and setting up of the sales support team and direct contact facilities.

The third barrier is the increase in the integration and process re-engineering cost and the speed of implementation is time consuming. This imply that the conversion of the old system to the CRM programme will take a long time and the cost for the transition will be high due to the transfer and analysis of the voluminous customer data. The mean for the benefit is 43%.

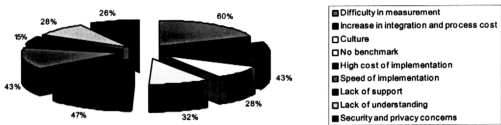
The fourth barrier is the unavailability of benchmark for the banks to adhere to as currently most of the banks in Malaysia are still in the infant stage in implementing this concept. The mean for this barrier is 32%. Following that, culture i.e. resistance to change attitude of staff and the lack of understanding on the concept of CRM by the staff will pose a problem to the management. The mean for these two variables are 28%.

Finally, security and privacy concern by the customers was thought to be the least to be concerned when implementing the program, as the mean is only 26%.

For an in-depth analysis of the responses received, the data could be analysed further i.e. by the ownership of the banks. This is to facilitate a better and thorough understanding of the questionnaires received.



**FIGURE 4.7: BARRIERS IN IMPLEMENTING THE CRM PROGRAMME**



**TABLE 4.5.2: FREQUENCY DISTRIBUTION ON THE BARRIERS IN IMPLEMENTING THE CRM PROGRAMME ANALYSED BY THE FOREIGN BANKS**

	Difficulty in measurement	Increase in integration and process cost	Culture	No benchmark	High cost of implementation
Valid	19	19	19	19	19
Missing	0	0	0	0	0
Mean	.74	.42	.32	.53	.47
Std. Error of Mean	.10	.12	.11	.12	.12
Mode	1	0	0	1	0
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1

	Speed of implementation	Lack of support	Lack of understanding	Security and privacy concern
Valid	19	19	19	19
Missing	0	0	0	0
Mean	.47	.21	.26	.42
Std. Error of Mean	.12	9.61E-02	.10	.12
Mode	0	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

From the nineteen responses received from the foreign banks, 74% of the respondents are of the opinion that difficulty in measurement is the main deterrence in implementing the CRM programme. 53% of the respondents selected that the unavailability of benchmarks was the second barrier that deters the implementation of the programme. This was followed by the speed of implementation and the high cost of implementation. The mean for these responses are 47% respectively.

The fifth barrier is the increase in the integration and process re-engineering cost coupled with the customers' concern about security and privacy of data used in the programme. The mean for these responses are 42%.

Culture and lack of understanding was ranked lower as the foreign bank has already implemented this programme.

However, lack of support from management was seemed not to be problem. This implies that management are always ready to assist the staff in the process of implementation. The mean stood at 21%.

**TABLE 4.5.3: FREQUENCY DISTRIBUTION ON THE BARRIERS IN  
IMPLEMENTING THE CRM PROGRAMME ANALYSED  
BY THE LOCAL BANKS**

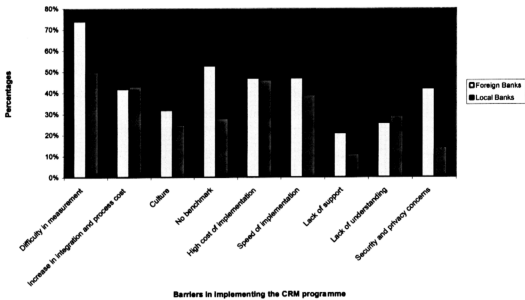
	Difficulty in measurement	Increase in integration and process cost	Culture	No benchmark	High cost of implementation
Valid	28	28	28	28	28
Missing	0	0	0	0	0
Mean	.50	.43	.25	.18	.46
Std. Error of Mean	9.62E-02	9.52E-02	8.33E-02	7.37E-02	9.60E-02
Mode	1	0	0	0	0
Minimum	0	0	0	0	0
Maximum	1	1	1	1	1

	Speed of implementation	Lack of support	Lack of understanding	Security and privacy concern
Valid	28	28	28	28
Missing	0	0	0	0
Mean	.39	.11	.29	.14
Std. Error of Mean	9.40E-02	5.95E-02	8.69E-02	6.73E-02
Mode	0	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

From the twenty-eight responses received from the local banks, difficulty in measurement has been selected as the main barrier in implementing the CRM programme. The mean was 50%. 11% of the local bankers are of the opinion that lack of support from management was seemed not to be problem. This implies that management are always ready to assist the staff in the process of implementation. This is consistent with that of the foreign bank's response.

The above analysis could be summarised into the figure below.

**FIGURE 4.8: BARRIERS IN IMPLEMENTING THE CRM PROGRAMME  
(ANALYSED BY THE OWNERSHIP OF THE BANKS)**



**THE MODE ANALYSIS**

The analysis above depicts that difficulty in measurement was the main barrier that deters the banks to introduce the concept of CRM. 74% of the foreign banks' responses indicated that difficulty in measuring the effectiveness of the programme might deter the bank to implement the programme and this is in line local banks' responses.

**CONCLUSION**

From the analysis above, it could be deduced that the main barrier in implementing of the CRM programme is the difficulty in measuring the effectiveness of the programme. In addition to that, foreign bankers and the local bankers are of the opinion that with the absence of benchmarks, banks are reluctant to implement the programme as there are no measurements on the effectiveness of the programme or a guide to implement of the programme.

**4.6 QUESTION 6: THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME.**

**TABLE 4.6.1: FREQUENCY DISTRIBUTION ON THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME.**

	Real time data sharing	Improved response time	Products meeting requirements	More responsive technical support
Valid	47	47	47	47
Missing	0	0	0	0
Mean	.43	.60	.47	.34
Std. Error of Mean	7.29E-02	7.24E-02	7.36E-02	6.99E-02
Mode	0	1	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

	Greater breath of solution options	Reduction in customer acquisition cost	Improve cross selling	Ability to react effectively
Valid	47	47	47	47
Missing	0	0	0	0
Mean	.26	.21	.47	.21
Std. Error of Mean	6.43E-02	6.03E-02	7.36E-02	6.03E-02
Mode	0	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

The figure above analyses the benefits in implementing the CRM programme. This analysis clearly depicts that the main benefit in implementing the CRM programme is the improvement in the response time to customer requests for information. This response implies that all customers' queries will be attended to promptly. The mean of the response stood at 60%.

47% of the forty-seven respondents selected delivering products and services that meet the needs and demands of the customers and coupled with the improvement in the cross selling strategy of the bank is the second benefit that could be derived from the implementation of the CRM programme.

With CRM, bankers will have an idea what are the needs and requirements of their customers and subsequently the bank may be able to develop the type of product that meets their needs and demands of their customers. Besides, many customers are not aware of the facilities provided by the bank. Therefore with the implementation of the CRM programme, bankers could broaden the knowledge of their customers on the facilities provided by the bank. This may facilitate the concept of cross selling.

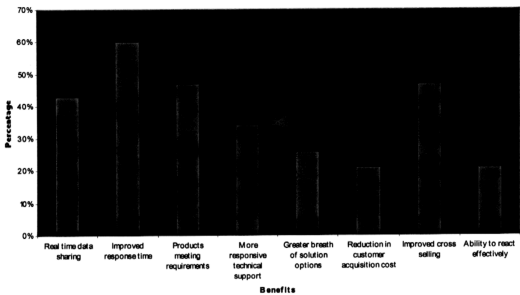
43% of the respondents are of the opinion that with the availability of data sharing by the staff, they may be able to respond to the customers' queries promptly and effectively as information is shared real-time across business units. With the facility of data sharing across business units on real time basis, bankers could provide a more accurate or variety of solutions to their customers, which in turn could indirectly improve the banks' profitability.

34% of the respondents are of the opinion that with the data sharing facility, technical staff could provide a more effective and efficient support to their customers.

Finally approximately 21% of the respondents are of the opinion that an effective CRM programme could provide the bankers the ability to react to new entrants and reduction in customer acquisition cost.

The analysis could be summarised via the figure below

**FIGURE 4.9: THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME**



For an in-depth analysis on the benefits in implementing the programme, the responses could be further analysed by the ownership of the banks

**TABLE 4.6.2: FREQUENCY DISTRIBUTION ON THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME ANALYSED BY THE FOREIGN BANKS**

	Real time data sharing	Improved response time	Products meeting requirements	More responsive technical support
Valid	19	19	19	19
Missing	0	0	0	0
Mean	.42	.74	.47	.58
Std. Error of Mean	.12	.10	.12	.12
Mode	0	1	0	1
Minimum	0	0	0	0
Maximum	1	1	1	1

	Greater breath of solution options	Reduction in customer acquisition cost	Improve cross selling	Ability to react effectively
Valid	19	19	19	19
Missing	0	0	0	0
Mean	.32	.21	.53	.37
Std. Error of Mean	.11	9.61E-02	.12	.11
Mode	0	0	1	0
Minimum	0	0	0	0
Maximum	1	1	1	1

From the responses received from the foreign banks, 74% of the respondents indicated that improved response time to customers' request for information and queries was the main benefit that could be derived from the implementation of the CRM programme and 58% are of the opinion that an effective CRM programme could provide a more responsive technical support to customers.

Meanwhile improving the cross selling of the banks' services or products was selected as the third benefit as the mean of this variable is only 53%.

Delivering products and services that meet the customers' requirement was selected as the fourth benefit with a mean of 47%. Customers data shared real time across business units, giving established players the ability to react effectively against, for instance new entrants and greater breath of solutions options was ranked fifth, sixth and seventh respectively.

Finally, reduction in customer acquisition cost was thought to be less significant resulting from the implementation of the CRM programme. The mean of the response is 21%.



**TABLE 4.6.3: FREQUENCY DISTRIBUTION ON THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME ANALYSED BY THE LOCAL BANKS**

	Greater breath of solution options	Reduction in customers acquisition cost	Improve cross selling	Ability to react effectively
Valid	28	28	28	28
Missing	0	0	0	0
Mean	.21	.21	.43	.11
Std. Error of Mean	7.90E-02	7.90E-02	9.52E-02	5.95E-02
Mode	0	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

	Real time data sharing	Improved response time	Products meeting requirements	More responsive technical support
Valid	28	28	28	28
Missing	0	0	0	0
Mean	.43	.50	.46	.18
Std. Error of Mean	9.52E-02	9.62E-02	9.60E-02	7.37E-02
Mode	0	1	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

From the responses received from the local banks, improved response time to customers' request for information and query was ranked as the main benefit that could be derived from the implementation of the CRM programme. The mean for this response is 46%. This is consistent with the response received from the foreign banks. However, delivering of products and services that meets the customers' requirement was considered to be significant as the analysis above displays a mean of 46%.

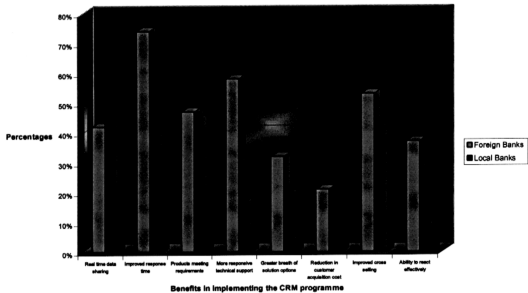
An effective CRM programme could provide real time sharing of customers' information across business units, which in turn may improve the efficiency in responding to customers' queries or request for information. This benefit was ranked as the third benefit as the mean for this benefit is 43%. In addition to that, improvement on the cross selling strategy of the banks' services or products was also being selected as the third benefit as 43% of the respondents have selected this variable.

Greater breath of solutions and reduction in customers' acquisition cost were sharing the fourth place as only 21% of the respondents have considered it as a benefit that may encourage the bank to implement the CRM programme.

Finally, the benefit of giving the established players the ability to react effectively against new entrance was ranked eight because the mean of the response is only 11%.

The analysis above could be summarised by the figure below.

**FIGURE 4.10: THE BENEFITS IN IMPLEMENTING THE CRM PROGRAMME (ANALYSED BY THE OWNERSHIP OF BANKS)**



**THE MODE ANALYSIS**

The analysis above depicts that improved in response time to customer requests for information and query is the main benefit that may encourage a bank to implement CRM. 74% of the foreign banks response selected this benefit as the main benefit that the CRM could bring while 50% of the local banks, response selected this benefit as the primary benefit.

**CONCLUSION**

From the analysis above, it could be deduced that the main benefit in implementing of the CRM programme is the improvement in the response time to customers' request for information. Both the foreign and local banks share the same opinion about this. In addition the foreign banks are of the opinion that the CRM programme could improve the banks' effort of cross selling of their products and services and to provide a more responsive technical support.

This is because bankers have the flexibility to access the customers' data instantly through sharing of data across business units on real time basis.

**4.7 QUESTION 7: INSTRUMENTS THAT THE BANKS COULD USE TO MEASURE THE EFFECTIVENESS OF THE CRM PROGRAMME.**

**TABLE 4.7.1: FREQUENCY DISTRIBUTION ON THE INSTRUMENTS THAT THE BANKS COULD USE TO MEASURE THE EFFECTIVENESS OF THE CRM PROGRAMME.**

	Customer retention and satisfaction	Statistical Modules	Current operation as benchmark	Attracting new customers
Valid	47	47	47	47
Missing	0	0	0	0
Mean	.74	.34	.40	.38
Std. Error of Mean	6.43E-02	6.99E-02	7.24E-02	7.17E-02
Mode	1	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

**TABLE 4.7.2: FREQUENCY DISTRIBUTION ON THE INSTRUMENTS  
THAT THE BANKS COULD USE TO MEASURE THE  
EFFECTIVENESS OF THE CRM PROGRAMME  
ANALYSED BY THE FOREIGN BANKS**

	Customer retention and satisfaction	Statistical Modules	Current operation as benchmark	Attracting new customers
Valid	19	19	19	19
Missing	0	0	0	0
Mean	.79	.47	.53	.47
Std. Error of Mean	9.61E-02	.12	.12	.12
Mode	1	0	1	0
Minimum	0	0	0	0
Maximum	1	1	1	1

**TABLE 4.7.3: FREQUENCY DISTRIBUTION ON THE INSTRUMENTS  
THAT THE BANKS COULD USE TO MEASURE THE  
EFFECTIVENESS OF THE CRM PROGRAMME  
ANALYSED BY THE LOCAL BANKS**

	Customer retention and satisfaction	Statistical Modules	Current operation as benchmark	Attracting new customers
Valid	28	28	28	28
Missing	0	0	0	0
Mean	.71	.25	.32	.32
Std. Error of Mean	8.69E-02	8.33E-02	8.99E-02	8.99E-02
Mode	1	0	0	0
Minimum	0	0	0	0
Maximum	1	1	1	1

The above tables analyses the instruments that the banks could use to measure the effectiveness of the CRM programme. 71% of the respondents selected customer retention and satisfaction through the growth of the individual customer's portfolio and the revenue earned from the customer is the most preferred measure as compared to the others.

79% of the foreign banks and 71% of the local banks selected this measure as the most preferred method to measure the effectiveness of the programme.

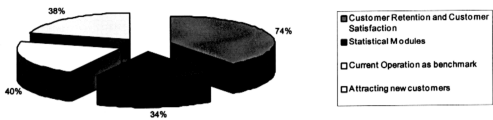
The next preferred method of measurement is using the current operation as the benchmark against operation after the implementation of the CRM programme. The mean of this measure is 32%. 53% of the foreign bank and 32% of the local banks have indicated that this measure as the next preferred method of measurement.

47% of the foreign banks and 32% of the local banks' respondents have selected the growth rate of the new customers' portfolio. A growth in the portfolio indicates that more customers are using the facilities rendered by the bank. On the overall response, this method was ranked the third, as the mean of this 38%.

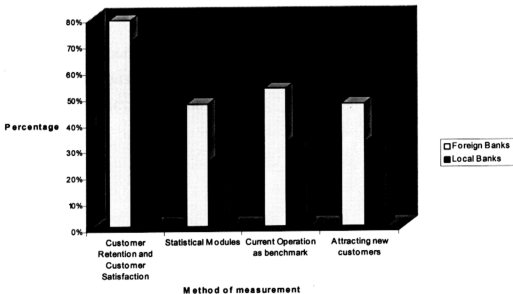
Finally, statistical modules are thought to be the least preferred method of measurement by the foreign and local banks. This is mainly due to the time taken to learn the concept of the modules and to develop the software. Secondly, the cost involved to develop in-house software will be high. Hence the mean for this method stands at 34% for the total forty-seven responses, 47% for the foreign bank responses and 25% for the local bank responses.

The figure below provides a clearer interpretation of the analysis.

**FIGURE 4.11: METHODS OF MEASUREMENT FOR THE CRM PROGRAMME**



**FIGURE 4.12: METHODS OF MEASUREMENT FOR THE CRM PROGRAMME (ANALYSED BY THE OWNERSHIP OF THE BANKS)**



## **THE MODE ANALYSIS**

The analysis above depicts that both bankers from the foreign and local banks agreed that customer retention and customer satisfaction through the growth of the individual customer's portfolio and the revenue earned from the customer is the most preferred method to measure the effectiveness of the CRM programme.

In addition to that, the bankers from the foreign banks have indicated the effectiveness of the CRM programme could be measured by using the current operation as a benchmark against operation after the implementation of the CRM programme.

## **CONCLUSION**

From the analysis above, it could be deduced that the main benefit in implementing of the CRM programme is the improvement in the response time to customers' request for information.

Both the foreign and local banks share the same opinion about this. In addition the foreign banks are of the opinion that the CRM programme could improve the banks' effort of cross selling of their products and services and to provide a more responsive technical support. This is because bankers have the flexibility to access the customers' data instantly through sharing of data across business units on real time basis.